
HOUSE BILL No. 1076

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12.5.

Synopsis: Residential property tax deduction. Establishes a property tax deduction that phases in the increased assessed value from rehabilitation or enlargement of residential real property.

Effective: January 1, 2008.

Day, Buell

January 8, 2007, read first time and referred to Committee on Ways and Means.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1076

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-12.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2008]:

4 **Chapter 12.5. Assessment Phase-in Deduction**

5 **Sec. 1. For purposes of this chapter:**

- 6 (1) "enlarge" means to add floor area;
7 (2) "rehabilitate" means to remodel, repair, or improve in any
8 manner; and
9 (3) "residential property" means real property improvements
10 assessed as residential property under the rules of the
11 department of local government finance.

12 **Sec. 2. (a) Subject to subsection (d) and section 3 of this chapter,**
13 **a taxpayer that:**

- 14 (1) rehabilitates; or
15 (2) enlarges;

16 **residential property for which the taxpayer is liable for property**
17 **taxes is entitled to a deduction from the assessed value of the**

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1 residential property.

2 (b) A deduction under this section is available in:

- 3 (1) the year in which the rehabilitation or enlargement of the
4 residential property results in an increased assessed value of
5 the residential property; and
6 (2) the immediately succeeding two (2) years.

7 (c) The amount of the deduction that a taxpayer may receive
8 for:

9 (1) the year referred to in subsection (b)(1) equals the product
10 of:

11 (A) the increased assessed value for that year resulting
12 from the rehabilitation or enlargement of the residential
13 property; multiplied by

14 (B) seventy-five percent (75%);

15 (2) the first year referred to in subsection (b)(2) equals the
16 product of:

17 (A) the increased assessed value of the residential property
18 determined under subdivision (1)(A) as adjusted under:

19 (i) IC 6-1.1-4-4; or

20 (ii) IC 6-1.1-4-4.5; multiplied by

21 (B) fifty percent (50%); and

22 (3) the second year referred to in subsection (b)(2) equals the
23 product of:

24 (A) the increased assessed value of the residential property
25 determined under subdivision (1)(A) as adjusted under:

26 (i) IC 6-1.1-4-4;

27 (ii) IC 6-1.1-4-4.5; or

28 (iii) both IC 6-1.1-4-4 and IC 6-1.1-4-4.5; multiplied by

29 (B) twenty-five percent (25%).

30 (d) A property owner that qualifies for a deduction for a year
31 under:

32 (1) this section; and

33 (2) another statute;

34 based on the same rehabilitation or enlargement of a residential
35 property may not receive a deduction for that rehabilitation or
36 enlargement of the property under both statutes for that year.

37 (e) A taxpayer that desires to claim a deduction under this
38 section must file a statement, on forms prescribed by the
39 department of local government finance, with the auditor of the
40 county in which the residential property is located. The statement
41 must be filed during the twelve (12) months before May 11 of each
42 year for which the taxpayer wishes to obtain the deduction. A

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statement under this subsection may be filed in person or by mail.
 A mailed statement must be postmarked on or before the last day
 for filing.

Sec. 3. If ownership of the residential property changes:

(1) the deduction provided under this chapter continues to
 apply to the residential property; and

(2) the amount of the deduction is:

(A) the percentage under section 2(c)(1)(B), 2(c)(2)(B), or
 2(c)(3)(B) of this chapter that would have applied if the
 ownership of the residential property had not changed;
 multiplied by

(B) the assessed value of the residential property, as
 determined and adjusted under section 2 of this chapter,
 for the year the new owner is entitled to the deduction.

**Sec. 4. The department of local government finance shall adopt
 rules under IC 4-22-2 to implement this chapter.**

**SECTION 2. [EFFECTIVE JANUARY 1, 2008] IC 6-1.1-12.5, as
 added by this act, applies only to property taxes first due and
 payable after December 31, 2008.**

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